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SUBJECT Commercial Operation of the Chinese Changchun Railroad

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In 1949, planned transportation schedules patterned after the Soviet system were established. All the agencies would place orders for freight shipments for the month following. By the 20th day of the month, the railroad would examine and approve a plan for the 5-day schedule of the following month, based upon the availability of cars.

The Soviets insisted that a client who did not ship freight according to a given order should be fined. The Chinese objected to this.

The establishment of the transportation schedule was a great blow to private enterprises since there were not enough railroad cars, and in the majority of cases, a private enterprise was not successful in its attempts to be included in the plan. At the same time, there were periods when extra cars were available, but private enterprises, losing all hope of obtaining cars, were not prepared to put in requests for shipment. This is one of the many examples of the inexpediency of the Soviet system.

Loading and Unloading

The Soviets insisted on introducing the time schedules for loading and unloading used in the Soviet Union. Chinese economic organizations protested, finding these periods of 30 minutes, one hour, or 2-3 hours, depending upon the kind of freight, insufficient. For ordinary cars, high rates were set for any time beyond the above established periods.

The representatives of economic organizations justly pointed out that the numerous regulations introduced were creating unhealthy and tense working conditions and that new demands were being made upon the clients at a time when the railroad had not put its own economy in order, and the cars, through the fault of the railroad, were stranded at the stations many days at a time.

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It must be said that the Soviet system of railroad administration produced a nervous and strained situation. Orders were given regardless of their chances of being fulfilled. In the event an order was not carried out, no attempt was made to investigate the causes and to eliminate them; instead, attempts were made to find the guilty individual and to punish him. Upon receiving an order from the management, an employee could not point out its impracticability or unsuitability, but was expected to carry it out or else make it appear that it would be carried out. The Soviets tried to apply USSR railroad regulations to the Manchurian Railroad network without making any allowances for different conditions.

In the loading regulations, the director of the railroad ordered the insertion of a Soviet clause requiring that fines, imposed on a client by the railroad, be deducted from his current account in the Northeast State Bank and credited to the railroad. This clause was basically at odds with the existing Chinese financial and economic system which, according to a statement of the Chinese Government, was not socialistic. Private enterprise continued to exist, and the right of an individual or firm to dispose of a bank account was retained. The Chinese Government made every attempt to attract deposits in the Northeast Bank.

Working conditions caused conflicts between the Chinese and the Soviets. Conflicting relations existed between the director of the Operation Service, a Chinese Communist who was not well versed in railroad questions but who was familiar with the local situation, and the Soviet director of the same service, a young, well-informed railroad man, but one who lacked tact and did not take local conditions into consideration. As a result, both chiefs were removed from their posts.

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